



EUBANK & BETTS

A Professional Limited Liability Company

CERTIFIED PUBLIC ACCOUNTANTS

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SYSTEM REVIEW REPORT

August 5, 2010

To the Shareholders
Darnall, Sikes, Gardes & Frederick
and the Peer Review Committee of the
Society of Louisiana Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Darnall, Sikes, Gardes & Frederick (the firm) in effect for the year ended May 31, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

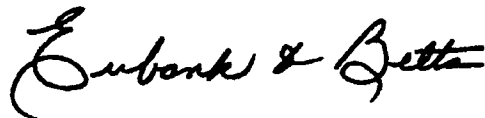
As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

We noted the following deficiency during our review:

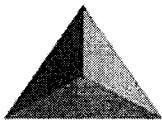
Deficiency - The firm's policies and procedures do not require concurring partner reviews or engagement quality control reviews on audit engagements. During our review, we observed two audits performed by the same partner, under *Government Audit Standards* (Yellow Book), that do not adequately document the risk assessment process; further, one of the engagements did not contain sufficient documentation of the internal control structure, and audit programs were not comprehensively utilized in all areas. The firm has advised us that, in both cases, complete documentation of all audit procedures performed will be maintained in the subsequent engagements, the completion of which are imminent.

Recommendation - We recommend that all audit engagements performed and/or supervised by the partner on these two engagements be closely supervised by an audit manager or partner regularly involved in the audit function. Compliance with professional standards in the areas of planning, risk and internal control assessment should be emphasized during the process. Additionally, we recommend that the firm adopt a policy requiring engagement quality control reviews of all audit engagements.

In our opinion, except for the deficiency described above, the system of quality control for the accounting and auditing practice of Darnall, Sikes, Gardes & Frederick in effect for the year ended May 31, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Darnall, Sikes, Gardes & Frederick has received a peer review rating of *pass with deficiency*.

A handwritten signature in black ink, appearing to read "Eubank & Betts", written in a cursive, flowing style.

EUBANK & BETTS, PLLC



Darnall, Sikes, Gardes & Frederick

(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Deceased 2009

E. Larry Sikes, CPA/PFS, CVA, CFP
 Danny P. Frederick, CPA
 Clayton E. Darnall, CPA, CVA
 Eugene H. Darnall, III, CPA
 Stephanie M. Higginbotham, CPA
 John P. Armato, CPA/PFS
 J. Stephen Gardes, CPA, CVA
 Jennifer S. Ziegler, CPA, CFP
 Chris A. Miller, CPA, CVA
 Stephen R. Dischler, MBA, CPA
 Steven G. Moosa, CPA
 M. Rebecca Gardes, CPA
 Pamela Mayeux Bonin, CPA, CVA
 Joan B. Moody, CPA
 Erich G. Loewer, III, CPA, M.S. Tax
 Lauren V. Hebert, CPA/PFS
 Barbara Ann Watts, CPA
 Craig C. Babineaux, CPA/PFS, CFP
 Jeremy C. Meaux, CPA

Kathleen T. Darnall, CPA
 Dustin B. Baudin, CPA, MBA
 Kevin S. Young, CPA
 Adam J. Curry, CPA
 Chad M. Bailey, CPA
 Carol C. Guillory, CPA
 Christy S. Dew, CPA
 Cecelia A. Hoyt, CPA
 Blaine M. Crochet, CPA, M.S.
 Rachel W. Ashford, CPA
 Veronica L. LeBleu, CPA
 Jacob C. Roberie, CPA
 S. Luke Sonnier, CPA
 Kyle P. Salzman, CPA
 Elise B. Fauchaux, CPA

November 10, 2010

Peer Review Committee of the Society of Louisiana CPAs

Ladies and Gentlemen:

This letter represents our response to the report issued in connection with the peer review of the Firm's system of quality control for the accounting and auditing practice in effect for the year ended May 31, 2010. The corrective actions discussed in this letter will be monitored to ensure they are effectively implemented as part of our system of quality control.

1. The deficiencies noted by the review team related to engagements performed by one audit partner. All management level audit responsibilities have been removed from this partner. In addition, all individuals with responsibility for managing audit and accounting engagements have been reminded of their responsibility to ensure the applicable professional standards for performing and documenting engagements are followed.
2. The firm's Quality Control Document will be amended to require a concurring partner review on all audit engagements. An audit department meeting is scheduled for November 29, 2010 to discuss all revisions to the firm's Quality Control Document that are needed. The concurring partner review requirement will be effective for all audits for the year ended December 31, 2010 and beyond.

As mentioned above, these corrective actions will also be emphasized in our monitoring procedures and internal inspection.

We believe these actions are responsive to the findings of the review.

Sincerely,

Darnall, Sikes, Gardes & Frederick
 (A Corporation of Certified Public Accountants)

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LCPA Peer Review Program
Administered in Louisiana by the
Society of Louisiana CPAs



AICPA Peer Review Program
Administered by the
Society of Louisiana CPAs

November 15, 2010

Ed Larry Sikes, CPA
Darnall, Sikes, Gardes & Frederick
Po Box 2517
2000 Kaliste Saloom Rd Ste 300
Lafayette, LA 70502

Dear Mr. Sikes:

On October 29, 2010, the Society of Louisiana CPAs Peer Review Committee considered the report and the firm's response on the most recent system peer review of your firm.

The Committee accepted the aforementioned documents with the understanding that the firm will take the actions outlined in its response to the report. Compliance with these actions will be monitored during your firm's next review. The due date for your next review is November 30, 2013. This is the date by which all review documents should be completed and submitted to the administering entity.

Thank you for your cooperation and support of the profession's practice-monitoring programs.

Please take a few minutes to complete the enclosed evaluation form concerning the administration of the peer review program. You may return the evaluation form to us via email gsnyder@lcpa.org or fax 985-764-4345. Your opinion is important to us.

Sincerely,

Stacey Lockwood
Peer Review Program Director
stockwood@lcpa.org 504 904-1136

cc: Stephen Charles Hirn, CPA

Firm Number: 10140815 Review Number:
310981